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RECORDED JUL - 2 1996 1:45 PM  
FILED 1425  
INTERSTATE COMMERCE COMMISSION

July 2, 1996

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease, dated as of June 28, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Residco Based Finance Corporation  
Three First National Plaza, Suite 1240  
Chicago, Illinois 60602

Lessee: Bangor & Aroostook Railroad Company  
Route 2 Box 45  
Bangor, Maine 04401

A description of the railroad equipment covered by the enclosed document is:

Eight (8) locomotives bearing BAR reporting marks and road numbers 81, 84, 88, 91, 94, 95 and 97

Mr. Vernon A. Williams

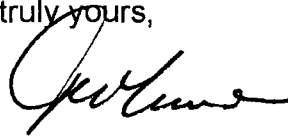
July 2, 1996

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Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee

Kindly return one stamped copy of the enclosed document to the undersigned

Very truly yours,

A handwritten signature in cursive script, appearing to read 'R. Alvord', written in black ink.

Robert W Alvord

RWA/bg

Enclosures

JUL 2 1996 - 1:45 PM

## MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE made as of June 28, 1996 is intended to evidence the Equipment Lease dated as of June 28, 1996 (the "Lease") between **RESIDUAL BASED FINANCE CORPORATION**, an Illinois corporation ("Lessor"), and **BANGOR & AROOSTOOK RAILROAD COMPANY**, a Maine corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under 49 U.S.C. § 11301. Lessor has the right to lease the eight (8) General Motors Electro-Motive Division model GP38 locomotives, more fully described in Exhibit A hereto (the "Units"), pursuant to the Lease. Lessee leased from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature.

**RESIDUAL BASED FINANCE  
CORPORATION, Lessor**

**BANGOR & AROOSTOOK RAILROAD  
COMPANY, Lessee**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A

DESCRIPTION OF ITEMS OF EQUIPMENT

Eight General Motors Electro-Motive Division model GP38 locomotives bearing the following reporting marks: BAR 81, 84, 87, 88, 91, 94, 95 and 97, together with all parts thereto and including one snowplow pilot blade for each such locomotive, whether or not the same is affixed thereto.

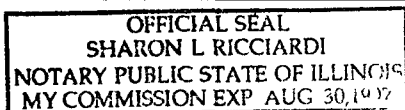
STATE OF ILLINOIS     )  
                                      )  
COUNTY OF COOK        )

On this 28th day of June, 1996, before me personally appeared Vincent A. Kolber, to me personally known, who, being by me duly sworn, says that he is President of RESIDUAL BASED FINANCE CORPORATION, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Ricciardi  
Notary Public

My Commission Expires: \_\_\_\_\_

[Notarial Seal]



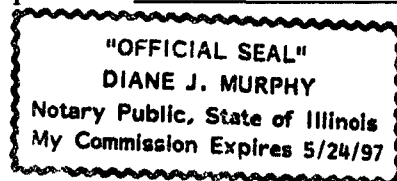
STATE OF ILLINOIS     )  
                                      )     SS  
COUNTY OF COOK        )

On this 28th day of June, 1996, before me personally appeared B.F. Collins, personally known, who, being by me duly sworn says that he is Deputy COO of BANGOR & AROOSTOOK RAILROAD COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane J. Murphy  
Notary Public

My Commission Expires: \_\_\_\_\_

[Notarial Seal]



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